June 12, 2007

Ms. Mary E. Major,
Environmental Program Manager,
Office of Air Regulatory Development,
Department of Environmental Quality,
P.O. Box 1105, Richmond,
Virginia 23218

Re: Comments on the Changes to the Final Regulation for Emissions Trading (CAIR)

Dear Ms. Major:

In response to the Virginia Department of Environmental Quality's public notice of April 24, 2007, the City of Alexandria ("Alexandria") hereby submits comments on the regulation entitled "Regulation for Emissions Trading", specifically the provisions concerning nonattainment area requirements.

First and foremost, Alexandria would like to commend the State Air Pollution Control Board ("Board") and the Virginia Department of Environmental Quality ("VDEQ") for having developed this important regulation that, in its present form, will greatly enhance curtailment of emissions of NO_x and SO_2. This is a crucial step in improving the air quality in Northern Virginia, a designated nonattainment area for ozone and $PM_{2.5}$.

Alexandria supports the prohibition of emissions trading in nonattainment areas, as stipulated by the Virginia CAIR rule in its present form. Specifically, Alexandria strongly supports the Board's decision to eliminate provisions of 9 VAC 5-140-1061/-2061 that would have allowed for a waiver from the prohibition on trading allowances (with respect to annual NO_x and ozone-season NO_x emission caps) to demonstrate compliance in nonattainment areas.

The Metropolitan Washington Air Quality Committee ("MWAQC") and the states have approved an air quality plan ("SIP") to meet the National Ambient Air Quality Standard for ozone. The SIP contains provisions for significant reductions from the electric generating facilities located in the region. The Maryland Healthy Air Act sets strict caps on coal fired power plants and restricts emissions trading. According to information from MWAQC, photochemical modeling in the SIP shows that the NO_x emission reductions associated with the prohibition of emissions trading are **required** to bring the Washington DC-VA-MD region into attainment of the ozone standard.

It has been well documented from EPA benefit-cost analyses and other similar studies that $PM_{2.5}$ emissions contribute the majority of health impacts from air pollution. In a case study of five power plants located near the Washington D.C. area, Levy et al[1] found that, on an annual basis, $PM_{2.5}$ emissions from these plants were responsible for 270 deaths, 78 cardiovascular hospital admissions (CHA), and 190 pediatric asthma emergency room visits (ERV). More

[1] Levy, J.I., Greco, S.L., and Spengler, J.D., The Importance of Population Susceptibility for Air Pollution Risk Assessment: A Case Study of Power Plants near Washington, DC, Environmental Health Perspectives, Volume 110, Number 12, December 2002, pp. 1253-1260

importantly, the health benefits from reduced $PM_{2.5}$ emissions resulting from the implementation of Best Available Control Technology were estimated to be 210 fewer deaths, 59 fewer CHA and 140 fewer pediatric asthma ERV annually. Since NO_x and SO_2 are precursors of secondary $PM_{2.5}$, it is essential that these emissions be significantly reduced in this area. The no-trading provision in the Virginia CAIR regulation for nonattainment areas will allow this to happen in a timely manner.

Mirant Potomac River Generating Station (PRGS) located in Alexandria, is one of the five power plants referenced above. It was estimated to be the single largest source that contributes most to $PM_{2.5}$ levels in Alexandria by the Levy study[2]. It was also determined to contribute ~37% of the total health impacts in Alexandria from the five power plants studied. Alexandria requests that the Virginia CAIR rule require all sources within nonattainment areas including PRGS to achieve emissions reductions through in-plant controls rather than through trading with plants that are outside the nonattainment areas. Therefore, **Alexandria supports the Board's decision to add provisions in 9 VAC 5-140-3061 that prohibit SO_2 trading as a means to demonstrate compliance in nonattainment areas.**

In summary, NO_x and SO_2 reductions resulting from the Virginia CAIR regulation with its no-trading provision are critical to achieving attainment of ozone and $PM_{2.5}$ NAAQS in Northern Virginia. Alexandria strongly urges the State Air Pollution Control Board and VDEQ to uphold the no-trading provisions in the Virginia CAIR regulation.

Alexandria appreciates the opportunity to comment on the above and thanks the Board and VDEQ for their efforts in protecting public health and the environment.

Yours sincerely,

Richard J. Baier, P.E.,
Director, Department of Transportation and Environmental Services

Copies:

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[2] Levy, J., Presentation to City of Alexandria, "Analysis of Particulate Matter Impacts for the City of Alexandria, Virginia", May 24, 2004